Weekly Economic Review

Part-time positions lead job growth

Labour Force

Part-time positions drive job gains

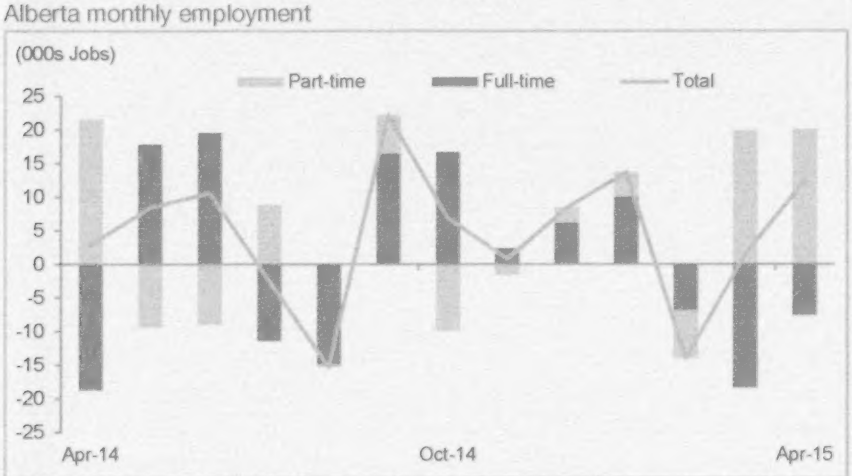
Alberta's job market continued to show resiliency in April, adding 12,500 jobs. All of the positions were part-time, as full-time employment fell by 7,600 (Chart 1). Self-employment (7,100) also increased after falling sharply in March. Despite the job gains, the unemployment rate remained at 5.5% as labour force growth (14,200) matched job growth in April.

On an industry basis, gains in the service sector (18,000) outweighed losses in the goods-producing industries (-5,500). Professional, scientific and technical services (5,500) rebounded to its first significant gain since May 2014. Losses were concentrated in construction (-3,800), the natural resource sector (-3,500) and manufacturing (-2,500).

Nationally, employment fell by 19,700 in April. British Columbia (-28,700) and Ontario (-14,300) recorded the largest losses. The national unemployment rate remained at 6.8%.

Chart 1: Job growth led by part-time positions

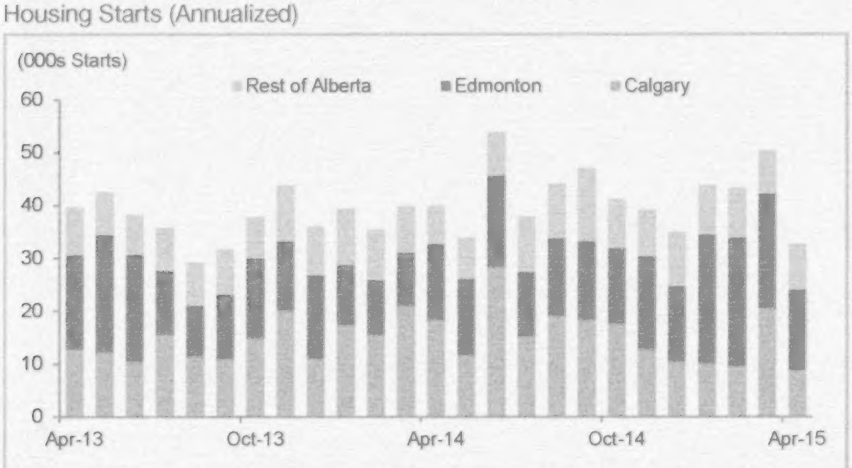
Alberta monthly employment



Source: Statistics Canada

Chart 2: Housing starts fall as Calgary starts retreat

Housing Starts (Annualized)



Source: CMHC

Housing Starts

Starts dip

Alberta housing starts in April were 32,704 (SAAR), the lowest monthly total since September 2013. This was the first weak reading for starts in 2015. Both single and multi-unit starts contributed to the lower total in April, falling by just under 20% year-over-year (y/y) .

After spiking to over 20,000 starts in March, there were 8,850 housing starts in Calgary, a decrease of 51% y/y and the lowest monthly housing starts for the city since mid-2011. There were 15,204 starts in Edmonton, up 4.8% y/y, but down from the over 20,000 starts recorded through the first quarter of 2015 (Chart 2).

In Canada, there were 181,814 housing starts in April, a 7.1% y/y decrease. Alberta, Saskatchewan, and Quebec contributed to the decline, over-taking gains in British Columbia.

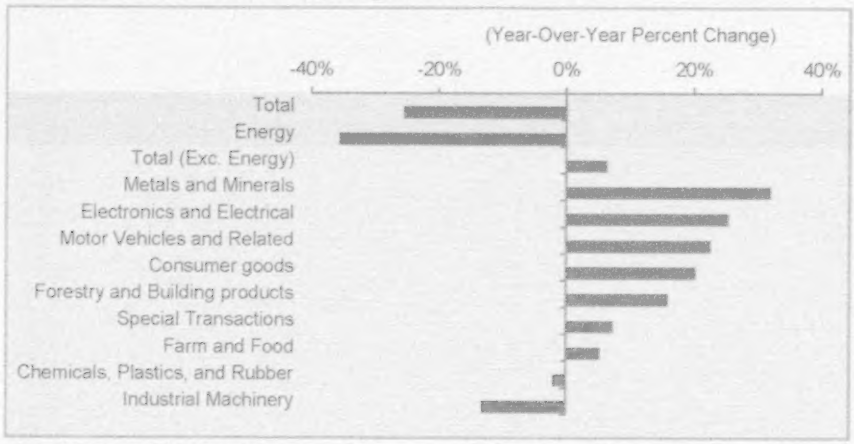
International Merchandise Trade

Exports fall despite higher volumes of oil

Alberta exports in March totaled $7.9 billion, a decrease of 25% compared with March 2014 and the third year-over-year (y/y) decrease in a row. The decrease was driven by a 36% y/y fall in the value energy exports, as volumes of crude oil (16.5%) and natural gas (8.2%) exported both increased in March. Excluding energy, Alberta exports increased by 6.4% y/y. The growth was broad-based, mainly driven by strong increases in consumer goods (20% y/y) and forestry products (16% y/y) (Chart 3).

Chart 3: Exports pulled down by energy prices

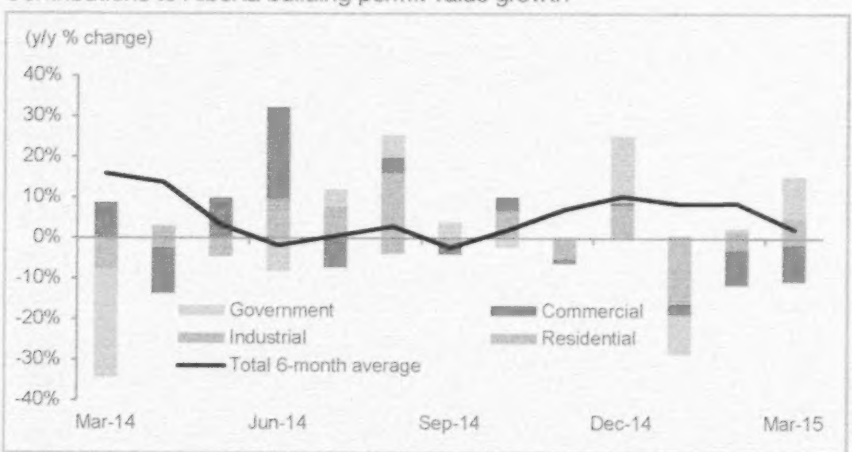
Alberta merchandise trade export growth



Source: Statistics Canada

Chart 4: Permits buoyed by Government and Institutional sector

Contributions to Alberta building permit value growth



Source: Statistics Canada

Nationally, exports were $41.6 billion, down 2.7% y/y from the decline in energy exports.

Building Permits

Residential gains outweigh non-residential decrease

Building permit values in March increased 4.6% y/y, led by an 8.6%y/y increase in residential permits. Residential permit gains were led by a 31% increase in Calgary, following decreases in January and February. Most residential permits issued were in apartments. Non-residential permits dipped by 1.1% y/y in March, marking the third decrease in a row. Steep declines in both industrial (37% y/y) and a fall in commercial (29% y/y) permits outweighed a strong increase in institutional and government permits (Chart 4). Despite the monthly year-over-year gain in March, total permits were down 12.6% y/y in the first quarter.

Nationally, the value of building permits recovered in March, increasing by 13% over the same month last year.

US Employment

US job growth springs back

US job growth bounced back in April after disappointing in March. The US added 223,000 jobs in April rebounding from acutely weak growth of 85,000 jobs in March. By sector, professional and business services, health care, and construction each gained jobs in April, while the mining sector lost jobs.

The US unemployment rate edged lower to 5.4% in April continuing its long decent from 10% in October 2009 and recording a seven year low.

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Please see the *Alberta Economy - Indicators at a Glance* for a snapshot of Alberta indicators.